

Service Date: July 26, 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * *

IN THE MATTER Of The Application)	
Of GREAT FALLS GAS COMPANY For An)	UTILITY DIVISION
Order Authorizing It To Issue and)	
Sell Not To Exceed \$1,000,000 Of)	DOCKET NO. 82.7.50
Industrial Development Revenue)	
Bonds.)	DEFAULT ORDER NO. 4919

On July 6, 1982, Great Falls Gas Company (Applicant) filed with the Montana Public Service Commission Its verified application pursuant to jurisdiction granted by Sections 69-3-501 through 69-3-507, MCA, requesting an order authorizing Applicant with the City of Great Falls to issue and sell \$1,000,000 of industrial development revenue bonds (hereafter called IDR bonds). The application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utilities operating as public utilities in the State of Montana. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to its annual reports on file with the Commission.

At a regular open session of the Montana Public Service Commission held in its office at 1227 - 11th Avenue, Helena, Montana, on July 19, 1982, there came before the Commission for final action the matters and things in Docket No. 82.7.50, and the Commission, having fully considered the application and all data and records pertaining thereto on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS OF FACT

1. Applicant, Great Falls Gas Company, is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.

2. Applicant is operating as a public utility as defined in Sections 69—3—101 and 102, MCA, and as such is engaged in furnishing natural gas service in Montana.

3. The Commission has jurisdiction over the subject matter of the application under Sections 601-3-501 through 601-3-507 MCA.

4. Securities to be issued consist of industrial development revenue bonds issued by the City of Great Falls, Montana, pursuant to Section 90-5-101, et seq., MCA, in an amount not to exceed \$1,000,000. The Company will guarantee the payment of such bonds, will issue and pledge its first mortgage bonds in an amount not to exceed \$1,000,000 to secure payment of such bonds, or otherwise participate, guarantee or assure payment of such bonds. It is anticipated that such bonds will be issued in July or August, 1982. If the Company elects to issue first mortgage bonds to be pledged for the benefit of the industrial development revenue bond holders to secure payment of the industrial bonds, those first mortgage bonds will be issued pursuant to a further supplement to the 1947 trust indenture. In the alternative the Company will obtain conventional financing secured by a mortgage granted by the Company covering the office facilities.

5. Bonds will be issued by the City of Great Falls and will be sold to the underwriter, D. A. Davidson & Co. for 96% of the par value of the industrial development revenue bonds. The discount constitutes the underwriter's fee involved in the issue of the industrial development revenue bonds. If the Company elects to issue first mortgage bonds to be pledged for the benefit of the industrial development revenue bond holders, it is anticipated that those bonds will be issued at par. The cost of issuing such first mortgage bonds is presently unknown.

6. Proceeds from the sale of the bonds or from conventional private financing will

be used for repayment of costs incurred in the office building acquisition and reconstruction thereof, Estimated direct expense in connection with the transaction, not counting interest or discount, is anticipated to be less than \$30,000.

7. The issue of the industrial development revenue bonds, the issue of the Company's first mortgage bonds, if elected, or the grant of a mortgage to secure conventional private financing are proper in all respects and beneficial to both the Great Falls Gas Company and the public in that the funds sought to be raised for the project itself are necessary to the efficient operation of the Company and the provision of quality service to the customers of the Company.

CONCLUSIONS OF LAW

The proposed issuance of the securities to which the application relates will be for lawful objects within the corporate purposes of Applicant and compatible with the public interest: the object is necessary, appropriate for and consistent with the proper performance by Applicant of service as a public utility; and the aggregate amount of Applicant a securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of Applicant.

ORDER

IT IS ORDERED BY THE COMMISSION:

1. The application of Great Falls Gas Company for an order of the Montana Public Service Commission authorizing it to issue and sell not to exceed \$1,000,000 of industrial development revenue bonds, pursuant to Sections 69-3-501 through 69-3-507, MCA, and to use the proceeds for the purpose set forth herein, is approved, effective upon issuance hereof.

2. Great Falls Gas Company shall file quarterly reports with this Commission which show in detail expenditures for the new office facilities until the project is completed. Upon completion, if the actual cost of the new offices is below \$1,000,000 Great Falls Gas shall file an application with this Commission concerning the sole issue of the proper ratemaking treatment of the unexpended proceeds from the sale of bonds approved herein.

3. Great Falls Gas shall file with this Commission, as promptly as practicable after consummation of the sale of the bonds, a report on the interest rate and all other details of the sale.

4. Section 69-3-507, MCA, provides that neither the issuance of securities by Applicant pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

5. Approval of the transaction herein authorized shall not be construed as precedent to prejudice any future action of this Commission.

6. Issuance of this order does not constitute acceptance of Applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

DONE IN OPEN SESSION at Helena, Montana, this 19th day of July, 1982, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

GORDON E. BOLLINGER, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS, Commissioner

THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Madeline L. Cottrill
Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedure, esp. 38.2.4806, ARM.